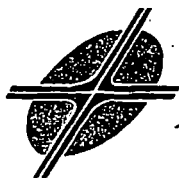


5-22-89
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ASH GROVE CEMENT WEST, INC.

Inter-Office Memorandum

Date May 22, 1989

To George Wells

From Ken Rone

Copies to Dick Cooke

Subject Progress Report

Jim Post

EAST TERMINAL

The trackmobile was sent to the shop for a brake rebuild. A smaller unit is being rented for the seven days it is expected to be gone.

Baker Trucking hauled more surplus kiln brick and electrical wire to Inkom.

Acid consumption at the settling pond is at a rate of 55 gallons per week at this time. This cost is \$75/week plus approximately one hour per week of supervisory involvement.

Repairs were required to the high pressure air compressor at the Group II silo.

I requested an appeal form from the City of Seattle to protest our surface water runoff assessment. I had requested his form in January which they said would be sent with our billing.

The Asamera project was changed to Ideal II from Montana II. This relieves our crisis over Montana II for the time being. Any car shortages in the coming months could be hurtful to our already low inventory positions.

Heavy sack shipments to LSNW are continuing due to problems with their own sacking system.

Saturday overtime (one shift) was scheduled to stay up with rail cars. Our unloading rate was slowed when repair work started on spur track #4.

There were no reportable accidents.

USEPA SF



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WEST TERMINAL

The M.V. Confidence has had some mechanical problems which caused interference with our unloading operation. Also we are experiencing some mechanical delays. Thus far, our productivity has been below average but there is still plenty of time to recover our losses before the ship leaves. This is the largest ship we have unloaded to date.

Two grievances and another inquiry came in this week. A meeting with the steward indicated the source of the dissatisfaction was the cutback in personnel that resulted from the installation of the radio controller. We made progress in the meeting in understanding each other's point of view but, though the grievances are settled, the issue is not.

The issue of the Ocean Lark demurrage has yet to be settled. Mr. Jacobson is looking into the question of rain delays which are defined in LSNW's Charter Party Agreement.

An achilles tendon injury required a doctor's exam. He recommended heel supports.

SUPERIOR QUARRY

We finished the final surveying at the quarry and hired a contractor to repair one of the gates which was damaged.

We are ready to ship Superior Silica to Montana at anytime.

SHIPMENTS

East Terminal Sales	5,968 tons
West Terminal Sales	3,009 tons
LSNW Shipments	2,296 tons

KR:sis

